



August 18, 2005

Docket No. 95-051P
FSIS Docket Clerk
Cotton Annex Bldg., Room 102
300 12th St., SW
Washington, DC 20250-370

Re: Docket No. 03-027P/RIN 0583-AD12 - Changes in Fees for Meat, Poultry, and Egg Products Inspection Services--Fiscal Years 2005-2008

Dear Sir/Madam:

The American Meat Institute (AMI or the Institute) submits the following comments regarding the above-referenced proposed rule. AMI represents the interests of packers and processors of beef, pork, lamb, veal and turkey products and their suppliers throughout North America. Together, AMI's members produce 95 percent of the beef, pork, lamb, and veal products and 70 percent of the turkey products in the United States. The Institute provides legislative, regulatory, public relations, technical, scientific, and educational services to the meat and poultry packing and processing industry.

AMI has significant concerns regarding this proposal. The agency is proposing to raise fees for voluntary inspection, "to reflect, among other factors, national and locality pay increases for Federal employees and inflation." Specifically, the agency is proposing to provide increases for four annual fee increases at this time. This is a marked change from previous years when the agency only proposed program fee increases for the upcoming year. The agency asserts that providing this information in advance "will provide the meat, poultry and egg industry with more timely cost information and will streamline the Agency's rulemaking process." FSIS has also proposed to increase the annual fee for its Accredited Laboratory Program.

AMI has concerns that the agency is proposing fees to cover program costs associated with inflation, wages, and overhead four years in advance of realization of the actual costs. To address this concern, FSIS stated that, “the Agency will continue to perform a yearly cost analyses to determine whether the fees are adequate to recover its costs. If the Agency determines that the fees established for any one year need to be adjusted, the Agency will initiate another rulemaking to correct that fiscal year's fees and readjust future year's fees.” If the agency will adjust fees based on actual costs of the programs in each future year, then setting the fees in advance does little to assist industry in planning for future cost increases that they will incur. The costs are not reliable, they are only an estimate. Additionally, if the agency reviews costs each year and issues new regulations to adjust for necessary changes, it's unclear how this proposed change will streamline the agency's rulemaking process.

AMI is concerned that the estimated increases for cost of living far exceed actual cost of living increases across the country. Indeed, the proposal would increase the fee for 2005 for overtime and holiday pay by more than 10 percent, i.e., from \$50.04 to \$55.19. Nothing in the proposal suggests “that national and locality pay increases for Federal employees and inflation” will come close to that level. If so, an increase of this magnitude is unwarranted.

Thank you for the opportunity to provide comments on this important issue. We look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark D. Dopp', with a long horizontal flourish extending to the right.

Mark D. Dopp
Senior Vice President of Regulatory
Affairs and General Counsel

cc: J. P Boyle
J. Hodges
S. Seward
L. Morrisette